



**MARGARET P. RALPH  
CLERK OF THE CIRCUIT COURT  
FOR THE  
COUNTY OF RAPPAHANNOCK**

**REPORT ON AUDIT  
FOR THE PERIOD  
APRIL 1, 2012 THROUGH SEPTEMBER 30, 2013**

## COMMENTS TO MANAGEMENT

We noted the following matters involving internal control and its operation that has led or could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

### Improve Management over Criminal Receivables

The Clerk does not have adequate internal controls for receivables resulting from criminal cases. We tested 40 criminal cases and noted the following errors.

- In nine cases, the Clerk did not bill defendants for costs totaling \$6,559.
- In four local cases, the Clerk miscoded fines of \$1,300 and court appointed attorney fees of \$120 as state fines and fees rather than local.
- In two cases, the Clerk overcharged defendants for costs totaling \$135.
- In one case, the Clerk did not record the criminal judgment in the indexing and imaging system.
- In one case, the Clerk did not properly calculate and enter the correct due date for fines and costs in the court's automated information system.

We recommend the Clerk establish proper procedures to improve the management of criminal accounts receivable. Additionally, the Clerk should correct the specific cases noted above and should establish procedures to review her staff's work to help eliminate these types of errors.

### Properly Bill and Collect Taxes and Fees on Wills

In eight of 10 estates tested, the Clerk and her staff did not properly bill and collect taxes and clerk's fees, resulting in errors totaling \$230. The Clerk should correct the specific errors noted during the audit and should bill and collect probate taxes and clerk's fees in accordance with the Code of Virginia.

– TABLE OF CONTENTS –

	<u>Pages</u>
COMMENTS TO MANAGEMENT	
AUDIT LETTER	1
CLERK’S RESPONSE AND CORRECTIVE ACTION PLAN	2-4



# Commonwealth of Virginia

## Auditor of Public Accounts

Martha S. Mavredes, CPA  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

January 3, 2014

The Honorable Margaret P. Ralph  
Clerk of the Circuit Court  
County of Rappahannock

Roger A. Welch, Board Chairman  
County of Rappahannock

Audit Period: April 1, 2012 through September 30, 2013  
Court System: County of Rappahannock

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for this Court System for the period noted above. Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies.

### Management's Responsibility

Court management has responsibility for establishing and maintaining internal controls and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Deficiencies in internal controls could possibly lead to the loss of revenues or assets, or otherwise compromise fiscal accountability.

We noted matters involving internal control and its operation necessary to bring to management's attention. These matters are discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate these matters provided by the Clerk are included as an enclosure to this report.

We discussed these comments with the Clerk and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

MSM:ljh

cc: The Honorable Burke F. McCahill, Chief Judge  
John W. McCarthy, County Administrator  
Robyn M. de Socio, Executive Secretary  
Compensation Board  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia  
Director, Admin and Public Records  
Department of Accounts

*Rappahannock County Circuit Court*

*Office of the Clerk*



*Margaret R. Ralph, Clerk*  
*Lisa W. Welsted, Deputy*

*238 Gay Street, P.O. Box 517*  
*Washington, Virginia 22747*  
*540-675-5350*

December 30, 2013

Martha Mavredes  
Auditor of Public Accounts  
P.O. Box 1295  
Richmond, VA 23218

IN RE: Corrective Plan – Audit Report

Dear Ms. Mavredes:

Needless to say, I was quite concerned by the errors found on my last audit. My staff and I have had several conversations concerning the problems, and we will work diligently to correct them. To that end, I have attached an amended plan to address criminal and will case issues that have been found.

If there is any additional information you may want or need, please call me and I will make it available to you.

Thank you for your time.

Yours truly,

A handwritten signature in cursive script, reading "Margaret R. Ralph", is written over a horizontal line.

Margaret R. Ralph, Clerk

MRR/  
Amended Enclosures

### Criminal Case Errors and plans to correct them

--Attorney fees of \$6358 and court costs not billed to defendant

I will be checking over all costs after they are entered on the cost sheet and into FMS

--Fines of \$1300.00 .....

My staff and I have spoken about this issue. I have shared with them how they can check whether or not it is a local case or not by looking at the warrant and looking for the "L" on that paperwork.

--Judgment Lien was not docketed

When I print the Judgment from ReportTran, I am not keeping a copy at my desk and will check it against the Judgment entries the next morning. After I see that it has been docketed I will destroy the copy.

--Overcharge to defendant

My staff and I have discussed the need for careful entry of data. Errors of this type are not acceptable and we will make every effort to be accurate.

--Time to pay miscalculation

We are very well versed in doing this. I believe it was simply an error

Steps taken to correct errors found in the testing of wills:

--Fees totaling \$164 for Affidavits/Real Estate Affidavits not charged:

I have discussed these errors with the auditor and have done extensive research on this topic. Pursuant to my search, I have instructed my staff on the proper procedure to follow for this type of recording and placed copies of the relevant code sections at the register for use when recording Affidavits/Real Estate Affidavits.

--A \$30 qualifying fee and a \$16 list of heir fee was overcharged.

The \$30 overcharge occurred because of a computer input error. I generally rely on the Probate Delivery System to calculate the correct amounts. However, I have checked with FMS people and have corrected the problem. I have shared this information with my staff and said that we should scan the costs provided by the Probate System to insure that this error doesn't occur.

My staff and I have always had several questions on this fee. At a recent meeting this topic was discussed and it was determined that the additional \$16.00 for the List of Heirs should not be charged twice. We have already implemented this change.

--A\$20 qualifying fee was incorrectly coded as a state probate tax.

This was simply a coding error. When I looked at the receipt, I knew immediately that this was simply that: an error. I have no excuse for this: only to say that my staff and I will attempt to be more diligent.